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GOOGLE INC.

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

ORACLE AMERICA, INC.,  
  
Plaintiff,  
  
v.  
  
GOOGLE INC.,  
  
Defendant.

Case No. 3:10-cv-03561-WHA

**GOOGLE'S RESPONSE TO PROPOSED  
TRIAL PLAN**

Judge: Hon. William Alsup

1 In its October 26, 2011 Order (Dkt. No. 564), the Court proposed a trifurcated jury trial  
 2 and invited counsel to critique its proposed trial plan. Google agrees with the Court that the trial  
 3 should be trifurcated into three phases, with copyright liability in phase one, patent liability in  
 4 phase two, and damages and willfulness in phase three. The Court's proposal would reduce the  
 5 likelihood of juror confusion and is more likely to lead to a just result than a non-trifurcated trial.

6 Google also renews its request for a stay of the patent case pending completion of the  
 7 reexamination proceedings. Those proceedings are actively affecting the scope of this litigation.  
 8 For example, the PTO recently closed prosecution proceedings for the '720 patent with rejections  
 9 on all of the asserted claims of that patent, which represent almost a quarter of the patent claims  
 10 asserted in this case. And throughout the reexamination proceedings, Oracle has been forced to  
 11 change the scope of its patent claims, making unambiguous arguments for a narrow construction  
 12 of certain claim terms as well as amending and adding new claims. The patent case should be  
 13 stayed to allow the reexamination proceedings to run their course so that this Court's  
 14 proceedings are not merely duplicative of PTO activity or, worse, unnecessary. Should the Court  
 15 decline to stay the patent case, Google requests that the Court allow the parties to videotape live-  
 16 witness testimony in the copyright case (phase one) and present that evidence by videotape in  
 17 subsequent phases, if necessary, in order to minimize the burden a trifurcated trial might impose  
 18 upon witnesses, especially third parties not affiliated with Google or Oracle.

19 **A. A trifurcated trial is the most practical and efficient way to try this case.**

20 "For convenience, to avoid prejudice, or to expedite and economize, the court may order  
 21 a separate trial of one or more separate issues [or] claims[.]" Fed. R. Civ. P. 42(b). The trial  
 22 court has broad discretion in deciding how to manage the trial, including whether to sever issues  
 23 or claims. *See M2 Software, Inc. v. Madacy Entm't*, 421 F.3d 1073, 1088 (9th Cir. 2005);  
 24 *Netflix, Inc. v. Blockbuster, Inc.*, C 06-02361 WHA, 2006 WL 2458717 (N.D. Cal. Aug. 22,  
 25 2006); *Bates v. United Parcel Serv.*, 204 F.R.D. 440, 448 (N.D. Cal. 2001); *Arnold v. United*  
 26 *Artists Theater Circuit, Inc.*, 158 F.R.D. 439, 458 (N.D. Cal. 1994); *Gardco Mfg., Inc. v. Herst*  
 27 *Lighting Co.*, 820 F.2d 1209, 1212 (Fed. Cir. 1987).

28 In determining whether to sever claims for trial, courts consider a variety of factors.

1 These factors include whether such severing would: (1) reduce the complexity of the case or  
 2 increase juror comprehension, (2) result in significant delay or redundancy in the trial, or (3)  
 3 prejudice either party. *See, e.g., Arnold*, 158 F.R.D. at 458; *Ciena Corp. v. Corvis Corp.*, 210  
 4 F.R.D. 519, 521 (D. Del. 2002); *WeddingChannel.Com, Inc. v. The Knot, Inc.*, 03 CIV. 7369  
 5 (RWS), 2004 WL 2984305 (S.D.N.Y. Dec. 23, 2004); *Real v. Bunn-O-Matic Corp.*, 195 F.R.D.  
 6 618, 621 (N.D. Ill. 2000). In this case, all of these factors support trifurcation.

7 **1. A trifurcated trial would reduce complexity and increase juror**  
 8 **comprehension.**

9 Severing claims or issues for trial is a well-established method of managing complex  
 10 patent cases. *See, e.g., Ciena Corp.*, 210 F.R.D. at 521 (noting that “bifurcation of complex  
 11 patent trials has become common”); *Smith v. Alyeska Pipeline Service Co.*, 538 F. Supp. 977,  
 12 984 (D. Del. 1982) (finding “that one trial of both issues [*i.e.*, liability and damages] would tend  
 13 to clutter the record and to confuse the jury.”). “Experienced judges use bifurcation and  
 14 trifurcation both to simplify the issues in patent cases and to maintain manageability of the  
 15 volume and complexity of the evidence presented to a jury.” *Ciena Corp.*, 210 F.R.D. at 521  
 16 (quoting Thomas L. Creel, *Bifurcation, Trifurcation, Opinions of Counsel, Privilege and*  
 17 *Prejudice*, 424 PLI/Pat 823, 826 (1995)); *see also* Manual for Complex Litigation (Fourth) §  
 18 33.27 (2004) (“Bifurcation of a patent jury trial or a phased trial considering major issues  
 19 separately can sometimes assist in properly focusing the jury’s attention”).

20 This case plainly is complex. Concepts like “application programming interfaces” and  
 21 “virtual machines” will be foreign to most jurors. The sheer breadth of the case adds to the  
 22 complexity. Oracle’s patent case alone involves 26 claims of six unrelated patents. Oracle  
 23 proposes 59 jury instructions. Its verdict form includes 110 questions of fact for the jury. The  
 24 joint exhibit list is 161 pages long and lists thousands of potential exhibits. It is unreasonable to  
 25 expect a jury to digest all of this information over the course of a single, colossal, multi-week  
 26 trial. And it is no wonder that the Court repeatedly has urged Oracle to narrow the claims to a  
 27 manageable number for trial. (*See, e.g.,* Dkt. Nos. 131 and 458.) Oracle simply refuses to do so.

28 Trifurcating the case into three phases would reduce complexity by allowing the jurors to

focus on only those issues relevant to a particular phase. *Ciena Corp.*, 210 F.R.D. at 521 (noting that trifurcation can “enhance jury decision making in two ways: (1) by presenting the evidence in a manner that is easier for the jurors to understand, and (2) by limiting the number of legal issues the jury must address at any particular time.” (quoting Steven S. Gensler, *Bifurcation Unbound*, 75 Wash. L. Rev. 705, 751 (2000))). For example, in the copyright phase, the jury will not need to hear evidence of what the patent claims are, how the claim terms have been construed, or how the Dalvik virtual machine works—none of which are relevant to the copyright issues. By narrowing the scope of the issues the jury must consider at any given time, trifurcation would increase overall juror comprehension and lead to a more just result than in a non-trifurcated trial.

**2. A trifurcated trial would not result in significant delay or redundancy.**

A trifurcated trial would not result in significant redundancy in the presentation of evidence or argument, nor would it significantly lengthen the overall trial time, because all three phases would be *tried to the same jury*. See *Laitram Corp. v. Hewlett-Packard Co.*, 791 F. Supp. 113, 117-18 (E.D. La. 1992) (ordering a “single trial” to proceed in “three separate and distinct phases” before the same jury); see also *Joy Techs., Inc. v. Flakt, Inc.*, 772 F. Supp. 842, 849 (D. Del. 1991) (noting possibility of bifurcating issues into “separate phases of a single trial”). As the Court noted in its October 26, 2011 Order (Dkt. No. 564): “All evidence presented in an earlier phase can be used by counsel and by the jury in a subsequent phase as relevant to the issues then on trial.” Most background narrative evidence—the identity of the parties, the history of Java, the general purpose of Android—likely would need to be presented to the jury only once. Any redundancy that might result from the parties’ need to re-present more specific or more complicated evidence would be offset by the gains in juror comprehension that would result from a trifurcated proceeding in which the issues are more focused. See *In re Innotron Diagnostics*, 800 F.2d 1077, 1084 (Fed. Cir. 1986) (“In deciding whether one trial or separate trials will best serve the convenience of the parties and the court, avoid prejudice, and minimize expense and delay, the major consideration is directed toward the choice most likely to result in a just final disposition of the litigation.”)

1           **3. A trifurcated trial would not prejudice the parties.**

2           In assessing the risk of prejudice, the Court should consider two types of prejudice: *first*,  
 3 the prejudice that may arise from juror confusion if severance is denied; and *second*, prejudice  
 4 caused by delay that might result from severance. *Real*, 195 F.R.D. at 621. As discussed above,  
 5 a trifurcated trial would reduce the likelihood of juror confusion. Trifurcation therefore  
 6 reduces—not creates—the first type of prejudice. And trifurcation would not significantly delay  
 7 the trial of this action. Severing the case would crystallize the issues for the jurors and allow  
 8 them to understand complex facts faster and with greater ease. Thus, by trying all necessary  
 9 phases *in seriatim* to a single jury, the case can be presented as expeditiously as it could be in a  
 10 single, sprawling, unitary trial. Thus, a trifurcated trial would not prejudice the parties.

11           Accordingly, and for all the foregoing reasons, Google agrees with the Court’s proposal  
 12 for a trifurcated trial as described in the Court’s October 26, 2011 Order (Dkt. No. 564).

13           **B. The PTO’s reexamination proceedings are actively affecting the scope of this case**  
 14           **and the patent trial should be stayed pending completion of those proceedings.**

15           The primary trial management problem in this case is Oracle’s refusal to narrow its patent  
 16 claims to a reasonable number for trial. The PTO’s reexamination proceedings, however, *have*  
 17 *narrowed* (and will continue to narrow) the scope of some of the asserted claims. Accordingly,  
 18 the Court should stay the patent case pending completion of the reexamination proceedings.

19           As explained in Google’s October 4, 2011 Case Management Statement (Dkt. No. 480),  
 20 reexamination proceedings may significantly reduce the number of claims to be tried in this case.  
 21 Just two days ago, the PTO examiner closed prosecution for the ’720 patent, with rejections on  
 22 all asserted claims. The PTO’s rejection of the asserted claims of the ’720 patent is significant—  
 23 according to Oracle’s damages expert, “the ’720 patent alone would be approximately 10%  
 24 [\$20.2 million] of the aggregate (portfolio) reasonable royalty” Oracle seeks. These claims of  
 25 the ’720 patent represent almost a quarter of Oracle’s asserted patent claims for trial. In total,  
 26 almost two-thirds of the asserted patent claims Oracle intends to try in this case have been  
 27 rejected.<sup>1</sup>

28           <sup>1</sup> The PTO has yet to issue an office action on the six claims of the ’104 patent. As for the other

Even if the asserted patent claims are not ultimately rejected in the reexamination process, the reexamination proceedings will affect the scope of the claims to be tried in this case. Indeed, the reexamination proceedings *already have* resulted in a narrowing of some of Oracle's asserted claims.<sup>2</sup> That is because, in the reexamination proceedings, Oracle has made unambiguous arguments for a narrow construction of certain claim terms. Oracle's narrowing arguments act as an immediately effective disavowal of any broader scope for those claims, even if the claims are not ultimately amended. *See Marine Polymer Techs, Inc. v. HemCon, Inc.*, 659 F.3d 1084, 2011 WL 4435986, \*5 (Fed. Cir. 2011) (“[W]e have consistently held that arguments made to the PTO on reexamination can create an estoppel or disavowal and thereby change the scope of claims even when the language of the claims did not change.”).

Oracle has made the following narrowing arguments in the reexamination proceedings:

- That the claims of the '702 patent require that the “multi-class file” contain the same bytecodes as the original “class files.” (USPTO Reexam Control No. 90/011,492, Response to Office Action at 20 (Sept. 6, 2011)).
- That the term “an instruction” as used in the claims of the '520 patent refers to exactly one instruction rather than one or more instructions (USPTO Reexam Control No. 90/011,489, Interview Summary (Aug. 4, 2011)).

These arguments limit the scope of the claims to be tried in this case. *See Marine Polymer*, 2011 WL 4435986, \*6 (“[I]f the scope of the claims actually and substantively changed because of Marine Polymer's arguments to the PTO, the claims have been amended by disavowal or estoppel and intervening rights apply. This is so even though Marine Polymer did not amend the language of its claims on reexamination.”). Further narrowing of claims likely will occur as the reexamination proceedings progress. Accordingly, in order to conserve judicial resources and

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patents, 80% of the claims as to which the PTO has issued an office action have been rejected.

<sup>2</sup> At the October 19, 2011 case management conference, the Court noted that only 11 percent of all claims ultimately get rejected in reexamination proceedings. The more relevant statistic for assessing the utility of a stay, however, is the number of claims that are cancelled *or* changed as a result of reexamination proceedings. In *ex parte* reexamination proceedings 76% of all claims are ultimately cancelled or changed. United States Patent and Trademark Office, Reexamination Filing Data, September 30, 2011, *available at* [http://www.uspto.gov/patents/stats/Reexamination\\_Information.jsp](http://www.uspto.gov/patents/stats/Reexamination_Information.jsp). In *inter partes* reexamination proceedings, the number is even higher: 89% of all claims ultimately are cancelled or changed in the reexamination process. *Id.* The reexamination proceedings for the patents at issue in this case are of both types—the proceedings for the '720 and '205 patents are *inter partes*; the proceedings for the '702, '476, '104, and '520 are *ex parte*.

1 avoid duplication in this court of the PTO's efforts in the reexamination proceedings, the Court  
2 should stay the patent case pending completion of the reexamination proceedings.<sup>3</sup>

3 **C. The Court should allow the parties to videotape testimony from the copyright trial**  
4 **and replay that videotape, if necessary, in subsequent phases.**

5 If the Court declines to stay the patent trial, the Court should allow the parties to  
6 videotape live-witness testimony from the copyright trial (phase one) and replay that testimony,  
7 as needed, in subsequent phases. Doing so will ensure fairness to the parties and minimize the  
8 burden on party and nonparty witnesses whose testimony may be relevant to all three phases of  
9 the trial.

10 Both Google and Oracle intend to call several witnesses whose testimony likely will be  
11 relevant to all three phases of a trifurcated trial. Many of these witnesses are senior executives  
12 with extremely busy schedules or third parties who may be unwilling or unable to testify three  
13 different times. Rather than forcing these witnesses to remain "on call" throughout three trial  
14 phases—or, in the case of third-party witnesses, risking their unavailability for one or more  
15 phases—Google proposes that the Court allow the parties to videotape live witness testimony  
16 from the copyright phase and replay that evidence, as necessary, in subsequent phases. Doing so  
17 will minimize the burden on party and nonparty witnesses, while still allowing the parties to re-  
18 present certain evidence that jurors are unlikely to recall from a previous trial phase.

19 Dated: November 18, 2011

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24 Attorneys for Defendant  
GOOGLE INC.

25 <sup>3</sup> Any delay in the completion of the reexamination proceedings is a product of Oracle's own  
26 doing. Oracle has requested several extensions of time—USPTO Reexam Control Nos.  
27 95/001,560 (Apr. 29, 2011), 90/011,521 (July 15, 2011), and 90/011,492 (July 5, 2011)—and has  
28 filed each response on the final day possible. Moreover, in one reexamination proceeding,  
Oracle actually *added* claims, which could delay further the issuance of a final office action.  
(USPTO Reexam Control No. 95/001,548, Amendment (Oct. 19, 2011)). Oracle's tactics in the  
reexamination proceedings belie any argument that a stay of the patent case pending completion  
of those proceedings would somehow prejudice Oracle by delaying its right to relief.